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TO : Assistant Director for Research and Reports

DATE: 10 October 1951

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SUBJECT: Comments on Beria Official speech, 34th Anniversary of "Socialist Revolution" on Soviet Economy - 1951.

The economic gains made by the Soviets in 1951 as reported by Politburo member Beria in his official speech on the 34th Anniversary of the "Great October Socialist Revolution" may be summed up generally by his statement "that the national economy plan for 1951 will be fulfilled and exceeded" and that "industrial production as compared with last year has increased by more than 15 per cent and will be double the prewar 1940 production." The increased production in the basic industrial branches is stated to be 12 per cent. This increase has been attributed largely to improvement in technical equipment standards, which in turn has made possible an increase in productivity of labor. The latter is said to account for almost two-thirds of the increase in industrial production in the current year.

The following table has been compiled from the available data on a few basic items:

	Steel mmt	Electric Power Billion KWH	Petroleum mmt	Grains mmt (100)
Beria	$\frac{1}{3} \rightarrow 27.6$ 71.5	90.1 104.0	$\frac{1}{6} - 37.5$ 42.0	100.0
1950 Soviet claims (Zulganin)	27.3	90.0	37.5	100.0
1940 Base	13.5	43.2	31.0	100.0
1950 Plan Figures	25.4	82.0	35.4	100.0

Examination of these data in the light of Soviet claims show that for the three basic items, steel, electric power and petroleum, the increased production of 12 to 15 per cent in 1951 over 1950 is correct, but that the claim of double the prewar 1940 production cannot be sustained except for electric power. Grain production is about ten per cent higher only than prewar.

In contrast to this, the claimed production of synthetic rubber has practically quadrupled over prewar and machine tools have almost doubled when their 1951 claims are compared with 1940 production.

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It is significant that in general the Soviet claims are considerably higher than ORR current production estimates of the same items, but these at present are under review. This applies not only to the above items, but also important items such as tractors and cotton. Possible increases in agricultural production are attributed to "the extension of irrigated areas and water supply" for example, the amazing statement is made that as a result of this "it will be possible to produce three million tons of raw cotton more per year." This would double last years claimed production of cotton.

Transportation claims (e.g., of 11 per cent increase in freight turn-over for the railroads) are in line with increased production and gross industrial output. Statements about increased production and availability of consumer goods check in general with quarterly USSR reports on the same subject. The statement that "the USSR coal industry today not only meets the requirements of our country, but has also insured the creation of the necessary reserves" is conservative. The somewhat boastful statements that crude steel production of the USSR is roughly as much as Great Britain, France, Belgium and Sweden together, and similar statements on electric power are statistically correct based on their claimed production.

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Approved For Release 2003/07/29 : CIA-RDP80R01731R001700020001-5

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